IMPACT Network A/S

Søren Frichs Vej 44 D, 8230 Åbyhøj

CVR no. 39 18 56 44

Annual report 2018

Approved at the Company's annual general meeting on 13 March 2019

Chairman:

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Heine Kaasgaard Bang

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of IMPACT Network A/S for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2018 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Åbyhøj, 13 March 2019
Executive Board:

Kasper Holst

Jens Mikkelsen

Board of Directors:

Heine Kaasgaard Bang
Chairman

Kasper Holst

Jens Mikkelsen

Nicolai Broby Eckert

Morten Holst

Independent auditor's report

To the shareholders of IMPACT Network A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of IMPACT Network A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 13 March 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik P. Jensen

Henrik Pungvig Jensen
State Authorised Public Accountant
mne24825

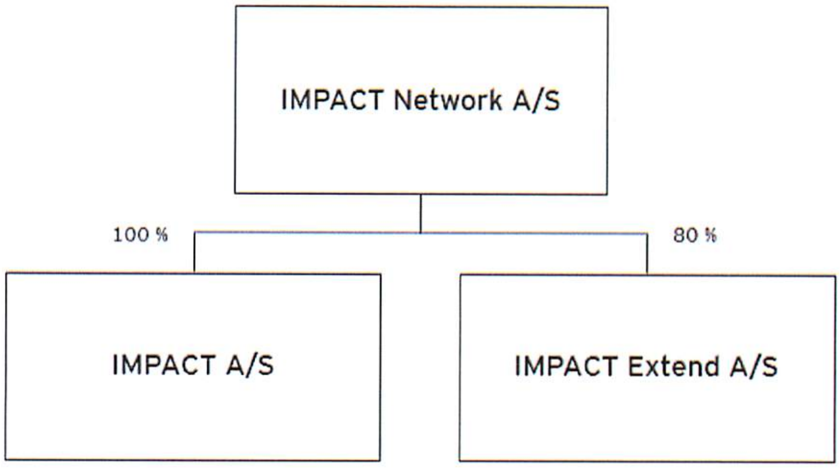
Management's review

Company details

Name	IMPACT Network A/S
Address, Postal code, City	Søren Frichs Vej 44 D, 8230 Åbyhøj
CVR no.	39 18 56 44
Established	19 December 2017
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Heine Kaasgaard Bang, Chairman Kasper Holst Jens Mikkelsen Nicolai Broby Eckert Morten Holst
Executive Board	Kasper Holst Jens Mikkelsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Financial highlights for the Group

DKK	2018	2017
Key figures		
Gross margin	95,223,283	81,498,347
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9,172,903	11,990,607
Operating profit/loss	7,771,162	10,919,215
Net financials	1,274,737	-26,087
Profit before tax	9,045,899	10,893,128
Profit/loss for the year	**7,283,268**	**8,431,525**
Total assets	40,000,805	36,199,323
Equity	**18,546,858**	**17,163,590**
Cash flows from operating activities	7,143,937	1,428,084
Investment in property, plant and equipment	-2,388,915	-2,118,053
Total cash flows	**-657,996**	**-4,235,913**
Financial ratios		
Return on assets	20.4%	30.2%
Current ratio	162.5%	174.6%
Equity ratio	46.1%	47.4%
Average number of employees	**135**	**107**

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on assets $$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$$

Current ratio $$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Equity ratio $$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Management's review

Business review

The activity of the Company is to own subsidiaries in Europe within the field of digital consultancy services.

The Company's business segment regarding subsidiaries comprises two units:

- IMPACT A/S provides services related to Digital Commerce
- IMPACT Extend A/S - provides services related to Bigdata/BI/Analytics and digital marketing

Financial review

In 2018, the Group achieved a 17 % growth rate measured in terms of gross profits.

The income statement for 2018 shows a profit before tax of DKK 9,046 thousand against a profit of DKK 10,893 thousand last year, and the Groups balance sheet at 31 December 2018 shows equity of DKK 18,547 thousand corresponding to an equity ratio of approx. 46 %.

The Group's capital structure is considered to be solid.

Management does not consider the Group's financial performance in 2018 satisfactory and has intiated intiatives to increase profitability.

Investments have been made in technology, organisation and customers.

Special risks

The Group is not exposed to special risks except for what is usual to the line of business.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Group continues to focus on sales improvements and synergies across the two units.

The Group expects two-digit growth rate despite the competitive market situation and improvements in result.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK	2018	2017	2018	2017
	Gross margin	95,223,283	81,498,347	-61,377	-6,250
2	Staff costs	-86,050,380	-69,507,740	0	0
	Amortisation of intangible assets and property, plant and equipment	-1,401,741	-1,071,392	0	0
	Profit/loss before net financials	7,771,162	10,919,215	-61,377	-6,250
	Income from investments in group enterprises	0	0	6,010,452	8,436,375
3	Financial income	1,318,000	0	1,318,000	0
4	Financial expenses	-43,263	-26,087	-11,673	0
	Profit before tax	9,045,899	10,893,128	7,255,402	8,430,125
5	Tax for the year	-1,762,631	-2,461,603	8,453	1,400
	Profit for the year	7,283,268	8,431,525	7,263,855	8,431,525
	Specification of the Group's results of operations:				
	Shareholders in IMPACT Network A/S	7,263,855	8,431,525		
	Non-controlling interests	19,413	0		
		7,283,268	8,431,525		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK	Group 2018	Group 2017	Parent company 2018	Parent company 2017
	ASSETS				
	Fixed assets				
6	**Intangible assets**				
	Completed development projects	0	0	0	0
	Acquired intangible assets	704,632	113,301	0	0
		704,632	113,301	0	0
7	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	2,250,528	898,468	0	0
	Leasehold improvements	1,130,104	1,255,303	0	0
		3,380,632	2,153,771	0	0
8	**Investments**				
	Investments in group enterprises	0	0	16,642,242	17,731,790
	Deposits, investments	1,491,297	1,076,272	0	0
		1,491,297	1,076,272	16,642,242	17,731,790
	Total fixed assets	5,576,561	3,343,344	16,642,242	17,731,790
	Non-fixed assets				
	Receivables				
	Trade receivables	25,969,272	23,953,060	0	0
	Work in progress for third parties	1,886,012	971,568	0	0
	Corporation tax receivable	346,831	0	9,853	1,400
	Other receivables	210,467	68,386	0	0
9	Prepayments	2,590,629	3,783,936	0	0
		31,003,211	28,776,950	9,853	1,400
	Cash	3,421,033	4,079,029	2,416,263	0
	Total non-fixed assets	34,424,244	32,855,979	2,426,116	1,400
	TOTAL ASSETS	40,000,805	36,199,323	19,068,358	17,733,190

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK	2018	2017	2018	2017
	EQUITY AND LIABILITIES				
	Equity				
10	Share capital	500,000	500,000	500,000	500,000
	Net revaluation reserve according to the equity method	0	0	3,946,827	4,936,375
	Retained earnings	12,927,445	16,663,590	8,980,618	11,727,215
	Dividend proposed	5,000,000	0	5,000,000	0
	Shareholder in IMPACT Network A/S' share of equity	18,427,445	17,163,590	18,427,445	17,163,590
	Non-controlling interests	119,413	0	0	0
	Total equity	18,546,858	17,163,590	18,427,445	17,163,590
	Provisions				
11	Deferred tax	264,400	219,700	0	0
12	**Total provisions**	264,400	219,700	0	0
	Liabilities other than provisions				
	Current liabilities other than provisions				
	Prepayments received from customers	380,150	374,486	0	0
	Trade payables	5,090,794	2,745,050	0	0
	Payables to group enterprises	0	0	607,913	500,000
	Corporation tax payable	0	365,238	0	0
	Other payables	14,963,040	14,153,361	33,000	69,600
13	Deferred income	755,563	1,177,898	0	0
		21,189,547	18,816,033	640,913	569,600
	Total liabilities other than provisions	21,189,547	18,816,033	640,913	569,600
	TOTAL EQUITY AND LIABILITIES	40,000,805	36,199,323	19,068,358	17,733,190

1 Accounting policies
14 Contractual obligations and contingencies, etc.
15 Collateral
16 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Group: Share capital	Group: Retained earnings	Group: Dividend proposed	Group: Total	Group: Non-controlling interests	Group: Total equity
	Equity at 1 January 2018	500,000	16,663,590	0	17,163,590	0	17,163,590
	Additions on merger/ corporate acquisition	0	0	0	0	100,000	100,000
	Transfer through appropriation of profit	0	2,263,855	5,000,000	7,263,855	19,413	7,283,268
	Extraordinary dividend distributed in the year	0	-6,000,000	0	-6,000,000	0	-6,000,000
	Equity at 31 December 2018	500,000	12,927,445	5,000,000	18,427,445	119,413	18,546,858

Note	DKK	Parent company: Share capital	Parent company: Net revaluation reserve according to the equity method	Parent company: Retained earnings	Parent company: Dividend proposed	Parent company: Total
	Equity at 1 January 2018	500,000	4,936,375	11,727,215	0	17,163,590
17	Transfer, see "Appropriation of profit"	0	6,010,452	-3,746,597	5,000,000	7,263,855
	Distributed dividend from group enterprises	0	-7,000,000	7,000,000	0	0
	Extraordinary dividend distributed in the year	0	0	-6,000,000	0	-6,000,000
	Equity at 31 December 2018	500,000	3,946,827	8,980,618	5,000,000	18,427,445

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	DKK	2018	2017
	Profit for the year	7,283,268	8,431,525
18	Adjustments	1,889,635	3,490,567
	Cash generated from operations (operating activities)	9,172,903	11,922,092
19	Changes in working capital	444,297	-8,364,846
	Cash generated from operations (operating activities)	9,617,200	3,557,246
	Interest paid, etc.	-43,263	-26,087
	Income taxes paid	-2,430,000	-2,103,075
	Cash flows from operating activities	7,143,937	1,428,084
	Additions of intangible assets	-831,018	-45,925
	Additions of property, plant and equipment	-2,388,915	-2,118,053
	Disposals of property, plant and equipment	0	-19
	Sale of financial assets	1,418,000	0
	Cash flows to investing activities	-1,801,933	-2,163,997
	Dividends paid	-6,000,000	-3,500,000
	Cash flows from financing activities	-6,000,000	-3,500,000
	Net cash flow	-657,996	-4,235,913
	Cash and cash equivalents at 1 January	4,079,029	8,314,942
20	**Cash and cash equivalents at 31 December**	3,421,033	4,079,029

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of IMPACT Network A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

The group's activities in joint operations are recognised on a line-by-line basis.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is thus recognised.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the rendering of services includes sale of advisory services for the pupose of creating online strategies, solution implementation and online marketing optimisation at the customer and is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method). The main part of revenue is invoiced based on hours spent rendering advisory services.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Acquired intangible assets	3 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

The residual value of intangible assets, leasehold improvements and other fixtures and fittings, tools and equipment is expected to account for DKK 0.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the Parent Company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets include capitalised costs in connection with the implementation of a new IT system and licences.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually three years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains or losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

Intangible assets, subsidiaries and property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating seperate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lover than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Work in progress for third parties

Work in progress includes services provided that have not been invoiced at 31 December. Work in progress is measured at the selling price of the work performed less progress billings. The sales value is calculated based on non-invoiced hours and the expected cover thereof.

The value of work in progress less on-account payments is classified as assets when the selling price exceeds on-account payments and as liabilities when on-account payments exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise cash at bank.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

		Group		Parent company	
	DKK	2018	2017	2018	2017
2	**Staff costs**				
	Wages/salaries	71,039,415	56,974,117	0	0
	Pensions	5,680,625	3,766,606	0	0
	Other social security costs	1,038,844	752,526	0	0
	Other staff costs	8,291,496	8,014,491	0	0
		86,050,380	69,507,740	0	0
	Average number of full-time employees	135	107	0	0
	Remuneration to members of management:				
	Executive board	2,504,778	2,948,031	0	0
	Board of Directors	205,000	190,000	0	0
		2,709,778	3,138,031	0	0

Parent company

The Parent Company did not pay any remuneration to Management during the financial year. Remuneration paid in the year of comparison is DKK 0.

		Group		Parent company	
	DKK	2018	2017	2018	2017
3	**Financial income**				
	Gain on the sale of group entities	1,318,000	0	1,318,000	0
		1,318,000	0	1,318,000	0

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK	Group 2018	Group 2017	Parent company 2018	Parent company 2017
4	**Financial expenses**				
	Interest expenses, group entities	0	0	9,936	0
	Other financial expenses	43,263	26,087	1,737	0
		43,263	26,087	11,673	0
5	**Tax for the year**				
	Estimated tax charge for the year	1,717,931	2,683,238	-8,453	-1,400
	Deferred tax adjustments in the year	44,700	-226,801	0	0
	Tax adjustments, prior years	0	5,166	0	0
		1,762,631	2,461,603	-8,453	-1,400

6 **Intangible assets**

DKK	Group: Completed development projects	Group: Acquired intangible assets	Group: Total
Cost at 1 January 2018	1,116,875	824,039	1,940,914
Additions	0	831,018	831,018
Cost at 31 December 2018	1,116,875	1,655,057	2,771,932
Impairment losses and amortisation at 1 January 2018	1,116,875	710,738	1,827,613
Amortisation for the year	0	239,687	239,687
Impairment losses and amortisation at 31 December 2018	1,116,875	950,425	2,067,300
Carrying amount at 31 December 2018	0	704,632	704,632
Amortised over	3 years	3 years	

7 **Property, plant and equipment**

DKK	Group: Fixtures and fittings, other plant and equipment	Group: Leasehold improvements	Group: Total
Cost at 1 January 2018	2,060,912	2,409,494	4,470,406
Additions	1,845,624	543,291	2,388,915
Cost at 31 December 2018	3,906,536	2,952,785	6,859,321
Impairment losses and depreciation at 1 January 2018	1,162,444	1,154,191	2,316,635
Depreciation	493,564	668,490	1,162,054
Impairment losses and depreciation at 31 December 2018	1,656,008	1,822,681	3,478,689
Carrying amount at 31 December 2018	2,250,528	1,130,104	3,380,632
Depreciated over	3-5 years	3 years	

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Investments

DKK	Parent company Investments in group enterprises
Cost at 1 January 2018	12,795,415
Disposals	-100,000
Cost at 31 December 2018	12,695,415
Value adjustments at 1 January 2018	4,936,375
Dividend received	-7,000,000
Profit/loss for the year	6,010,452
Value adjustments at 31 December 2018	3,946,827
Carrying amount at 31 December 2018	**16,642,242**

Parent company

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries					
IMPACT A/S	Aktieselskab	Åbyhøj	100.00%	16,164,585	5,932,796
IMPACT Extend A/S	Aktieselskab	Åbyhøj	80.00%	597,070	97,070

9 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including insurance policies, licences, subscriptions, etc.

DKK	Parent company 2018	2017
10 Share capital		
Analysis of the share capital:		
500,000 shares of DKK 1.00 nominal value each	500,000	500,000
	500,000	500,000

All shares carries the same voting rights.

The parent's share capital has remained DKK 500,000 over the past 2 years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
DKK	2018	2017	2018	2017
11 Deferred tax				
Deferred tax at 1 January	219,700	446,501	0	0
Deferred tax adjustments in the year	44,700	-226,801	0	0
Deferred tax at 31 December	264,400	219,700	0	0

12 Provisions

Group

The provision for deferred tax primarily relates to timing differences in respect of intangible assets and property, plant and equipment.

13 Deferred income

Group

Deferred income, consists of payments received from customers that may not be recognised until the subsequent financial year.

14 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK	2018	2017	2018	2017
Rent and lease liabilities	7,510,106	4,128,724	0	0

Parent company

As management company, the Company is jointly taxed with other Danish group entities. Together with other jointly taxed group entities the Company has joint and several liability for payment of income taxes and withholding taxes falling due for payment in the group of jointly taxed entities.

15 Collateral

Group

The Group has not provided any security or other collateral in assets at 31 December 2018.

Parent company

The Parent Company has not provided any security or other collateral in assets at 31 December 2018.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Related parties

Related party transactions

DKK	2018	2017
Parent Company		
Interest expenses, group entities	9,936	0
Payables to group entities	607,913	500,000

Parent company

Significant influence

Related party	Domicile	Basis for significant influence
Intergroup ApS	Højbjerg, Denmark	Participating interest
Forza Group ApS	Åbyhøj, Denmark	Participating interest

		Parent company	
	DKK	2018	2017
17	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	5,000,000	0
	Extraordinary dividend distributed in the year	6,000,000	0
	Net revaluation reserve according to the equity method	6,010,452	4,936,375
	Retained earnings/accumulated loss	-9,746,597	3,495,150
		7,263,855	8,431,525

		Group	
	DKK	2018	2017
18	**Adjustments**		
	Amortisation/depreciation and impairment losses	1,401,741	1,071,393
	Income from investments in group entities	-1,318,000	0
	Financial income	0	-63,350
	Financial expenses	43,263	26,087
	Tax for the year	1,762,631	2,456,437
		1,889,635	3,490,567
19	**Changes in working capital**		
	Change in receivables	-2,158,293	-6,090,796
	Change in trade and other payables	3,155,423	-326,796
	Other changes in working capital	-552,833	-1,947,254
		444,297	-8,364,846
20	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	3,421,033	4,079,029
		3,421,033	4,079,029